

BILL ANALYSIS

Senate Research Center
86R7875 GRM-F

H.B. 4629
By: Metcalf (Nichols)
Intergovernmental Relations
5/11/2019
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Montgomery County Municipal Utility District No. 101 (district) encompasses an area of developed land within the extraterritorial jurisdiction of the cities of Willis and Conroe. Development of the land located within the district requires that the district be divided into two or more new districts. H.B. 4629 authorizes the district to divide into and create new districts.

H.B. 4629 amends current law relating to the powers and duties of Montgomery County Municipal Utility District No. 101.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter C, Chapter 8120, Special District Local Laws Code, by adding Section 8120.106, as follows:

Sec. 8120.106. DIVISION OF DISTRICT. (a) Authorizes the Montgomery County Municipal Utility District No. 101 (district) to be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) Provides that this chapter (Montgomery County Municipal Utility District No. 101) applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Prohibits any new district created by the division of the district from, at the time the new district is created, containing any land outside the area described by Section 2 of the Act enacting this chapter.

(d) Authorizes the board of directors of the district (board), on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, to adopt an order dividing the district.

(e) Authorizes the board to adopt an order dividing the district before or after the date the board holds an election under Section 8120.023 (Confirmation and Initial Directors' Election) to confirm the district's creation.

(f) Requires an order dividing the district to:

(1) name each new district;

- (2) include the metes and bounds description of the territory of each new district;
- (3) appoint temporary directors for each new district; and
- (4) provide for the division of assets and liabilities between or among the new districts.

(g) Requires the district, on or before the 30th day after the date of adoption of an order dividing the district, to file the order with the Texas Commission on Environmental Quality (TCEQ) and record the order in the real property records of each county in which the district is located.

(h) Requires any new district created by the division of the district to hold a confirmation and directors' election as required by Section 8120.023.

(i) Provides that municipal consent to the creation of the district and to the inclusion of land in the district acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

(j) Requires any new district created by the division of the district to hold an election as required by law to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

(k) Requires the new district, if the creation of the new district is confirmed, to provide the election date and results to TCEQ.

SECTION 2. Effective date: upon passage or September 1, 2019.